

By Mr. Connell of Weymouth, petition of William A. Connell, Jr., for legislation to remove the ten year limitation on indebtedness in connection with which group credit life insurance may be issued covering indebtedness arising from real estate mortgage loans. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Nine.

AN ACT TO REMOVE THE LIMITATION OF TEN YEARS ON INDEBTEDNESS IN CONNECTION WITH WHICH GROUP CREDIT LIFE INSURANCE MAY BE ISSUED FROM INDEBTEDNESS ARISING FROM REAL ESTATE MORTGAGE LOANS AND ALSO TO LIMIT SUCH INSURANCE TO TEN THOUSAND DOLLARS IN AMOUNT AND TO TEN YEARS IN TERM.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 133 of chapter 175 of the General Laws is hereby
2 amended by striking out clause (c), as amended by chapter 209
3 of the acts of 1959, and inserting in place thereof the following
4 clause:—

5 (c) a group of persons who at any time are debtors of a bank,
6 association, financial or other institution, including its sub-
7 sidiary or affiliated institutions, if any, for a loan, or of the
8 vendor of any property for its purchase price, or of a guarantor
9 or conditional guarantor of the obligation, under an agreement
10 to pay any such indebtedness, or any balance thereof, in instal-
11 ments over a period of not more than ten years excepting, how-
12 ever, that if the loan is secured by a so-called direct reduction
13 real estate mortgage for a period longer than ten years the
14 debtor may be insured for a period of not more than ten years,
15 or who at any time have been granted a policy loan pursuant to
16 a policy provision therefor, written under a policy, issued, with
17 or without medical examination, and made payable to such
18 creditor or the assignee of the indebtedness, or the insurance
19 company granting the policy loan, including the insurance com-

20 pany which issues such policy, and insuring the life of each
21 debtor, or the person granted such policy loan, for an amount
22 not exceeding his individual indebtedness or policy loan with
23 interest, and not exceeding ten thousand dollars; provided,
24 that not less than one hundred persons shall become insured
25 under such a group policy each year after its date of issue; and
26 provided, further, that no such debtor shall be in such a group
27 for a period of more than ten years on account of a debt arising
28 out of said loan or an obligation for the said purchase price.